



Fall 2005

MAKING THE TRANSITION

At-Will Transition Briefing November 2005

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November 2005 Agenda

General Session

- Introduction Bill Leighty, Chief of Staff, Governor's Office
- Housekeeping Dennis Johnson, Governor's Office
- Health Benefits Linda Morton, DHRM Office of Health Benefits
- Human Resource Issues Sandy Johnson, DHRM HR Services
- Retirement Lynda Buncie, Sheila Imobisa and Tim Rhea,
Virginia Retirement System; Tom Ferguson and Les
Thompson, Great West Retirement Services
- Unemployment Insurance Patricia Williams, Virginia Employment Commission

Breakout Session

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Things to Consider

Severance and Leave

Am I entitled to a severance package?

Will I be paid for my unused leave balances?

Health Benefits

When does my health care coverage end?

Does the State provide extended health care coverage?

How much will it cost to have extended health care coverage?

What happens to my Flexible Reimbursement Account?

Retirement

What happens to my retirement account?

MAKING THE TRANSITION**General Housekeeping**

State Issued Property – the Commonwealth of Virginia routinely issues property to authorized personnel. All state issued property must be returned in acceptable working condition prior to separation. It is the responsibility of the individual to whom the property was issued to ensure that the property is returned. Some common types of state issued property are reflected below.

- Cellular telephones (telephone numbers are portable)
- Personal Digital Assistants
- Satellite Desktop Computers/Printers
- Agency Assigned Vehicles
- Identification Badges
- External/Internal Electronic Access Cards
- Office Keys

Travel Charge Cards-travel charge cards are issued to most employees who travel more the twice a year. The cards are issued in the employee's names, not the Commonwealth of Virginia. Employees are encouraged to pay entire account balances prior to separation. Notes of interest are listed below.

- Delinquent and unpaid balances will affect an employee's personal credit history
- Cards should be cancelled approximately one month prior to separation
- Ask your travel charge card administrator for confirmation of the cancellation

Small Purchase Charge Cards-small purchase charge cards are issued in the names of employees to be used for agency purchases of less than \$5,000. Although the cards are in the names of employee's, the agencies are responsible for the card. If you have a small purchase charge card issued in your name, it should be cancelled prior to separation.

- Cards should be cancelled approximately one month prior to separation

Permanent/Temporary Travel Advance-permanent or temporary travel advances are strongly discouraged. However, if you have been issued or authorized either type, it is your responsibility to close the advance out properly. Notes of interest are below.

- If you have been issued an advance, close it out by completing a travel voucher to properly account for and accurately record expenses prior to separation.
- If you have authorized a travel advance for an employee, have that employee complete a travel reimbursement voucher to close out the advance. If necessary the advance can be reissued by a new authority.

Contact Information -upon separating from State Government, make certain that your human resource and payroll departments have accurate contact information for you.

Personnel Clearance Form- this form is designed to function as a checklist for employees separating from State Government.

MAKING THE TRANSITION**Personnel Clearance Form**

EMPLOYEE NAME _____

AGENCY NAME _____

Commonwealth of Virginia Property**Laptop Computer**

Laptop Asset # _____ SN _____ Received by: _____

Monitor Asset # _____ SN _____ Received by: _____

Docking Station Asset # _____ SN _____ Received by: _____

Desktop Personal Computer

Desktop Asset # _____ SN _____ Received by: _____

Monitor Asset # _____ SN _____ Received by: _____

Seat Management Property:

Continue Use _____ Y/N Return to Vendor _____ Y/N Relocate to: _____

Personal Data Assistant (PDA)

Blackberry S/N: _____ Holster: _____ (Y/N) Received by: _____

Disable Wireless Access Account _____ (Y/N) Completed by: _____

Compaq iPAQ S/N: _____ Holster: _____ (Y/N) Received by: _____

Disable Wireless Access Account _____ (Y/N) Completed by: _____

Wireless Modem

Sierra Wireless Modem S/N: _____ Telephone #: _____ Received by: _____

Disable Wireless Access Account _____ (Y/N) Completed by: _____

Disable User Account _____ Y/N Termination Date: _____ Completed by: _____

Disable E-Mail Account _____ Y/N Termination Date: _____ Completed by: _____

Disable File Access _____ Y/N Termination Date: _____ Completed by: _____

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Cellular Phone Asset # _____ CN _____ Received by: _____

Pager Asset # _____ PN _____ Received by: _____

Remote Telephone/Line # _____ Termination Date: _____

Commonwealth of Virginia Calling Card

Received: _____ Termination Date: _____

Electronic Access

Building Access Card Number _____ Received by: _____

Internal Access Card Number _____ Received by: _____

Parking Access Card Number _____ Received by: _____

Office

Door Keys Received by: _____

Desk /Cabinet Keys Received by: _____

Credit CardsTravel Charge Card# _____ Cancellation Date: _____
(Support Services Action)Small Purchase Charge Card# _____ Cancellation Date: _____
(Support Services Action)Universal Air Travel Card# _____ Cancellation Date: _____
(Support Services Action)**Contact Information**

Mailing Address: _____

Administrative

Retirement/Deferred Compensation Form Submission Date: _____

Health Benefits Form Submission Date: _____

Employee Signature _____ Date: _____

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Support Services Actions

Cellular Phone Cancellation Date: _____ Cancelled By: _____

Pager Cancellation Date: _____ Cancelled By: _____

Cellular Phone Recycle Date: _____ Agency Assigned to: _____

Pager Recycle Date: _____ Agency Assigned to: _____

Confirmations

Receipt of Items listed above: _____ Date: _____
Procurement Officer

Director Date: _____

Transfer of Items/Approval: _____ Date: _____
Procurement Officer

Director Date: _____



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Frequently Asked Questions Health Benefits Coverage

What will happen to my health benefits?

As you transition from Commonwealth of Virginia employment, you will be given the opportunity to continue your state health benefits coverage. There is an application process for Extended Coverage (see below, the attached Extended Coverage General Notice and monthly premiums). You have 60 days to enroll in Extended Coverage from the time your group health coverage ended or you were notified, whichever is later. Your Benefits Administrator will provide the materials you need. Also keep in mind that your exit from state government will affect any Flexible Reimbursement Accounts or long-term care insurance in which you are currently enrolled.

Will I continue to have health coverage after leaving state government?

Extended Coverage is the term used to describe coverage that government employers are required to offer under the provisions of the Public Health Service Act. These provisions also apply to private employers under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). In certain instances ("qualifying events"), such as termination of employment, taking leave without pay, or others, employees and enrolled family members who are no longer eligible for State Health Benefits Program membership may continue coverage at their own expense for 18, 29, or 36 months. You would be eligible for 18 months of coverage beginning at the first of the month following the termination of your employment.

Do I receive documentation that I had state health coverage?

A Certificate of Coverage showing evidence of your prior health coverage is provided (as required by federal law) to all persons leaving the State Health Benefits Program. You may need to furnish the certificate if you become eligible under a group health plan that excludes coverage for certain medical conditions that you have before you enroll. If you become covered under another group health plan, check with the plan administrator to see if you need to provide this certificate. For additional information about Extended Coverage, contact your Benefits Administrator.

May I continue to participate in my Flexible Reimbursement Account(s)?

If you are enrolled in a Medical Reimbursement Account at the time you leave state service, you may choose to extend participation in your Medical Reimbursement Account. You will be billed on an after-tax basis. You may not extend participation in a Dependent Care Reimbursement Account.

Does my long-term care insurance continue?

Anyone enrolled in the long-term care insurance offered by Aetna Life Insurance Company under the Department of Human Resource Management may continue the policy when leaving state service. The state's long-term care insurance is valid anywhere in the United States, Guam and Puerto Rico. If your premiums have been payroll-deducted, you may select from multiple payment options (monthly, quarterly, semi-annually or annually). For more information, contact Aetna toll free at 1-877-894-2470 or visit Aetna's Web site at www.aetna.com/group/commonwealthva.



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2005 General Notice Of Extended Coverage Rights

Introduction

You are receiving this notice because you are covered under the Commonwealth of Virginia Health Benefits Program (the Plan), including the health benefits plan and, if you elected to enroll, the medical expense flexible reimbursement account. This notice contains important information about your right to temporarily extend your coverage under the Plan. **This notice generally explains Extended Coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it. This notice supersedes any previous General Notice and is being sent to comply with the United States Department of Labor's May 26, 2004, final rules implementing notice requirements of health care continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), which also promulgated parallel provisions of the Public Health Service Act.**

The right to Extended Coverage was created for private employers by federal law through COBRA, and these rights are reflected in the continuation coverage provisions of the Public Health Service Act which covers employees of state and local governments. Extended Coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage.

For additional information about your rights and obligations under the plan and under the law, you should contact your designated Benefits Administrator. For active employees, this would be the individual designated by your employing agency to administer eligibility for the Plan, including initial Extended Coverage enrollment. For retirees, survivors or long-term disability participants (retiree group participants), this would generally be the Virginia Retirement System. However, local retirees/survivors or optional retirement plan retirees/survivors should contact their pre-retirement agency's Benefits Administrator. Contact the Human Resources Department of the appropriate entity (as previously noted) if you need assistance in determining the name and mailing address of your specific Benefits Administrator. Resources for additional information are provided on page 4.

What is Extended Coverage?

Extended Coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, Extended Coverage must be offered to each person who is a "qualified beneficiary." You, your spouse and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. These rights are also available to children covered through a Qualified Medical Child Support Order (QMCSO). Under the Plan, qualified beneficiaries who elect Extended Coverage must pay the full cost for Extended Coverage. Time limitations for making Extended Coverage premium payments will be included in the Election Notice provided at the time of the qualifying event.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because of either one of the following qualifying events:

- Your hours of employment are reduced. This would include periods of leave without pay (even if the employer premium contribution continues for a designated period of time that runs concurrently with Extended Coverage) and any reduction of hours resulting in loss of coverage and/or loss of or change in the terms and conditions of the employer contribution toward the cost of coverage.
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee or retiree group participant, you will become a qualified beneficiary if you lose your coverage under the plan because of any one of the following qualifying events:

- Your spouse dies;
- Your spouse's hours of employment are reduced (including periods of leave without pay, even if the employer premium contribution continues for a designated period of time that runs concurrently with Extended Coverage, and any reduction of hours resulting in loss of coverage and/or loss of or change in the terms and conditions of the employer contribution toward the cost of coverage);
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- You become divorced from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of any one of the following qualifying events:

- The parent/employee/retiree dies;
- The parent's/employee's hours of employment are reduced (including periods of leave without pay, even if the employer premium contribution continues for a designated period of time that runs concurrently with Extended Coverage, and any reduction of hours resulting in loss of coverage and/or loss of or change in the terms and conditions of the employer contribution toward the cost of coverage);
- The parent's/employee's employment ends for any reason other than his or her gross misconduct;
- The parents become divorced, resulting in loss of dependent eligibility;
- The child stops being eligible for coverage as a dependent child under the plan.

Coverage that is terminated in anticipation of a qualifying event (e.g., divorce) is disregarded when determining whether the event results in a loss of coverage. If termination occurs under this condition but notification of the qualifying event is received from the employee, qualified beneficiary or a representative within 60 days of the date coverage would have been lost due to the qualifying event, Extended Coverage must be made available and effective on the date coverage would have been lost due to the event, but not before.

When is Extended Coverage Available?

Your Benefits Administrator will automatically offer Extended Coverage to qualified beneficiaries upon the occurrence of the following qualifying events:

- Termination of employment;
- Reduction in hours of employment resulting in loss of coverage and/or loss of or change in the terms and conditions of the employer contribution toward the cost of coverage, including leaves without pay;
- Death of the employee.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce of the employee and spouse or a dependent child's loss of eligibility for coverage as a dependent child), you or your representative must notify your Benefits Administrator within 60 days of the qualifying event (or within 60 days of the date coverage would be lost due to the qualifying event) by submitting written notification to include the following information:

- The type of qualifying event (e.g., divorce, loss of dependent child's eligibility--including reason for the loss of eligibility);
- The name of the affected qualified beneficiary (e.g., spouse's and/or dependent child's name/s);
- The date of the qualifying event;
- Documentation to support the occurrence of the qualifying event (e.g., final divorce decree, dependent child's marriage certificate);
- The written signature of the notifying party;
- If the address of record is incorrect, an address for mailing the Election Notice.

Failure to provide timely notice of these qualifying events will result in loss of eligibility for continuation coverage. One notice will cover all affected qualified beneficiaries. Notice will be considered furnished when mailed or, in the case of hand delivery, the date it is received by your Benefits Administrator.

How is Extended Coverage Provided?

Once the designated Commonwealth of Virginia Benefits Administrator becomes aware or is notified that the qualifying event has occurred, Extended Coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect Extended Coverage. Covered employees may elect Extended Coverage on behalf of an eligible spouse, and parents may elect Extended Coverage on behalf of their eligible children.

Extended Coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee/retiree, your divorce, or a dependent child's loss of eligibility as a dependent child, Extended Coverage lasts for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, Extended Coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare eight months before his coverage ends due to termination of employment, Extended Coverage for his covered spouse and/or children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date that coverage was lost due to termination of employment (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of employee's hours of employment, Extended Coverage may last for only up to a total of 18 months. There are two ways in which this 18-month period can be extended.

1.) Disability extension of 18-month period of continuation coverage

You and anyone in your family covered under the Extended Coverage provisions of the Plan (due to termination of employment or reduction of hours) may be entitled to receive up to an additional 11 months of continuation coverage if it is determined by the Social Security Administration that any covered family member is disabled at some time during the first 60 days of continuation coverage, and the disability lasts at least until the end of the 18-month initial period of continuation coverage. The Office of Health Benefits Extended Coverage Administrator (see page 4) must receive notification of the disability determination within 60 days of either 1.) the date of the disability determination; 2.) the date of the qualifying event; 3.) the date on which coverage would be lost due to the qualifying event; or, 4.) the date on which the qualified beneficiary is informed of the obligation to provide the disability notice (e.g., through this General Notice), AND within the first 18 months of Extended Coverage. Notification must be presented in writing and include the following information:

- The name of the disabled qualified beneficiary;
- The date of the determination;
- Documentation from the Social Security Administration to support the determination;
- The written signature of the notifying party (qualified beneficiary or representative);
- If the address of record is incorrect, a correct mailing address.

2.) Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event while receiving 18 months of Extended Coverage, the spouse and dependent children in your family can get up to 18 additional months of continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given (in the format and time frame specified below) to the Office of Health Benefits Extended Coverage Administrator (see page 4). The extension may be available to the spouse and any dependent children receiving continuation coverage if the employee/former employee dies, the employee/former employee becomes divorced from the covered spouse, or the covered dependent child ceases to be eligible under the Plan, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred. Written notification must be given within 60 days of the date coverage would have been lost due to the second qualifying event and should include the following information:

- The type of second qualifying event (e.g., divorce, loss of dependent eligibility);
- The name of the affected qualified beneficiary (e.g., spouse and/or dependent child);
- The date of the second qualifying event;
- Documentation to support the occurrence of the second qualifying event (e.g., final divorce decree, dependent child's marriage certificate);
- The written signature of the notifying party;
- If the address of record is incorrect, a correct mailing address.

Failure to furnish timely and complete notification of the second qualifying event or disability determination will result in loss of additional Extended Coverage eligibility. Notice will be considered furnished when mailed or, in the case of hand delivery, furnished on the date it is received by your Benefits Administrator.

Separate guidelines apply to continuation coverage under the provisions of the Uniform Services Employment and Re-employment Rights Act of 1994 (USERRA). If these provisions apply to you, see your Benefits Administrator for more information.

If you have questions:

Questions concerning your Plan or your Extended Coverage rights should be addressed to the contacts listed below under ***“Plan contact information.”*** For more information about your continuation coverage rights under the Public Health Service Act or under the Health Insurance Portability and Accountability Act, contact the nearest regional or district office of the U. S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA Web site at www.dol.gov/ebsa. Addresses and phone numbers of regional and district EBSA Offices are available on the Web site, but if you live in Virginia, the district office is:

Washington District Office
1335 East-West Highway, Suite 200
Silver Spring, MD 20910
Telephone: 301/713-2000

Keep your Benefits Administrator informed of address changes

In order to protect your family’s rights, you should keep your Benefits Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your Benefits Administrator or the Office of Health Benefits Extended Coverage Administrator.

The Plan Administrator is:

The Department of Human Resource Management
101 N. 14th Street, 13th Floor
Richmond, Virginia 23219

Plan contact information

For information about Extended Coverage, initial notification of qualifying events, and initial enrollment, contact your agency Benefits Administrator (see page 1).

To makes changes to Extended Coverage after initial enrollment, contact:

Office of Health Benefits Extended Coverage Administrator
101 N. 14th Street
13th Floor
Richmond, VA 23219
Telephone: 804/371-6436



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Extended Coverage Monthly Premiums

(Effective July 1, 2005 - June 30, 2006)

Extended Coverage (COBRA) Participant: For 18 and 36 months, pays the Total Premium + 2%; for 19-29 months of disability, pays the Total Premium + 50%.

Coverage Option	Single	Plus One	Family
COVA Care Health Plan (includes basic dental)			
Extended Coverage	\$384	\$710	\$1036
19-29 Months Disability	\$564	\$1044	\$1524
COVA Care Plus Out-of-Network			
Extended Coverage	\$393	\$722	\$1053
19-29 Months Disability	\$578	\$1062	\$1548
COVA Care Plus Expanded Dental			
Extended Coverage	\$395	\$732	\$1071
19-29 Months Disability	\$581	\$1077	\$1575
COVA Care Plus Vision, Hearing and Expanded Dental			
Extended Coverage	\$403	\$747	\$1089
19-29 Months Disability	\$593	\$1098	\$1602
COVA Care Plus Out-of-Network and Expanded Dental			
Extended Coverage	\$404	\$745	\$1087
19-29 Months Disability	\$594	\$1095	\$1599
COVA Care Plus Out-of-Network, Vision, Hearing and Expanded Dental			
Extended Coverage	\$412	\$759	\$1106
19-29 Months Disability	\$606	\$1116	\$1626
Coverage Option	Single	Plus One	Family
Kaiser Permanente HMO			
Extended Coverage	\$378	\$700	\$1022
19-29 Months Disability	\$557	\$1029	\$1503



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Frequently Asked Questions WTA Severance Benefits

What are transitional severance benefits?

Severance benefits, or transitional severance benefits, are benefits provided to eligible employees designed to lessen the impact of involuntary separation by providing some cash payments and continuing key benefits for a period of time. Severance benefits include:

- Transitional severance payments and
- Continuation of the state's contribution toward health and life insurance premiums, **or**
- Enhanced retirement benefits (for full-time employees who are at least 50 years of age and are vested in VRS, SPORS, or VaLORS).

Who is eligible to receive transitional severance benefits conferred under Title 2.2, Chapter 32 of the Code of Virginia, the Workforce Transition Act of 1995?

- Any full-time salaried employee of the Executive Branch of Government appointed to his or her current position by the Governor between January 12, 2002 and July 1, 2003.
- Any employee whose position is exempt from the Virginia Personnel Act pursuant to subdivision 3 or 20 of section 2.2-2905 and who was employed continuously full time by the Commonwealth for 15 years or more prior to appointment.

Note: Employees in Subdivisions 3 and 20 are officers appointed by the Governor whether General Assembly confirmation is required or not, and Chief Deputies or Confidential Assistants for Policy or Administration in agencies, respectively.

If the employee accepts another job with the state, do the severance benefits end?

Yes. If an employee is hired by the original agency or another state agency, even as an hourly employee, independent contractor, or consultant while receiving severance payments, severance payments cease. State contributions to health and life insurance continue for up to a year unless the employee is re-employed into a salaried state position that provides health and life insurance.

If an employee who used the enhanced retirement benefit returns to a position covered by VRS, SPORS, or VaLORS, he or she is no longer retired, and all retirement benefits stop. If this employee works for some time and again retires, the enhanced retirement benefit will not be applied to another retirement.

Do an employee's severance benefits stop if he or she accepts a job in the private sector?

No.

How are transitional benefits determined?

- For the purpose of determining the severance payment, partial years of service are rounded up to the next highest year. For example, if an employee has 9 years and 5 months of service at the time of layoff, it will be considered 10 years of service for the severance payment calculation.
- The maximum severance payment to which an employee may be entitled is 36 weeks of salary:

<u>Years of Service</u>	<u>Amount of Severance Benefit</u>
2 years or less	4 weeks salary
3 – 9 years	4 weeks salary plus an additional week for every year over 2
10 – 14 years	12 weeks salary plus 2 additional weeks for every year over 9
15 years or more	2 weeks salary per year not to exceed 36 weeks of salary

Will severance payments be equal to the employee's semi-monthly salary?

By statute, severance payments are based on weekly salary amounts (annual salary divided by 52). For example, an employee with seven years of state service is eligible to receive severance payments equal to nine weeks of salary. The employee will be paid two weeks' salary on the agency's normal payroll schedule (every two weeks or semi-monthly) for about eight weeks; the last severance payment will be one week's salary.

What deductions can be taken from severance payments?

The employee's contribution to health insurance premiums may be deducted from the severance payments. Employees should check with their payroll offices regarding other deductions.

Can an employee defer a portion of the severance payments through the Deferred Compensation Program so he or she can receive the cash match?

No, deferred compensation may not be deducted from severance payments and cash match does not continue.

Are severance payments subject to Direct Deposit?

Employees should contact their agency payroll office to find out how their agency will disburse severance payments.

What is the enhanced retirement option?

This is an option that allows full-time employees who are at least 50 years old and are vested members of VRS, SPORS, or VaLORS to apply the value of the severance payments and state-paid portions of life and health insurance premiums either to their age, service credit, or a combination of both (except that employees eligible for unreduced retirement may add this value to creditable service only) so that their retirement benefit is enhanced. The agency determines the cash equivalent of the severance benefits, and then divides that amount by 15% of the employee's annual salary to determine the number of years that can be added to the employee's retirement credit or age. Partial years are raised to the next full year.

Can an employee who is 48 years old take the enhanced retirement option and use the credit to add 2 years to his or her age to achieve the threshold of 50 years of age?

No. The employee must be at least 50 years of age and must have at least 5 years of service credit to select the enhanced retirement option.

Can an employee take the enhanced retirement option and delay his or her retirement for several months or up to a year?

No. If an employee decides to take the enhanced retirement severance option, he or she must retire immediately.

How long does the state's contribution toward health and life insurance premiums continue?

The state's contribution toward health and life insurance premiums continues for 12 months from the separation date or until the employee is re-employed in another salaried state position that provides benefits.

What other benefits are affected when an employee receives severance benefits?

The chart on the next page summarizes the effects of severance benefits on other benefits.



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Chart of Benefits

Benefit Type	Effect Of Severance Benefit On Other Benefits
Group Life Insurance	<ul style="list-style-type: none">• Employer continues insurance premium for 12 months for employees receiving severance payments.• Employees on LTD-Working or on LTD that transitioned from STD continue to be covered by group life insurance if they receive severance payments.
Healthcare	<ul style="list-style-type: none">• Employer paid premium continues for 12 months for full-time employees receiving severance payments.• Full-time employees who are on LTD-Working or who transitioned from STD to LTD and are receiving severance benefits continue to be covered by the active group health insurance with employer-paid premiums.
Holidays	<ul style="list-style-type: none">• Severance Benefits are paid based on weekly salary whether or not holidays occur.
Optional Life Insurance	<ul style="list-style-type: none">• Employees may convert to an individual policy upon separation.• Employees choosing enhanced retirement may continue a portion of optional life insurance coverage. Contact Virginia Retirement System (VRS) for details.
Retirement Service Credit	<ul style="list-style-type: none">• Employees receiving VSDP benefits <u>and</u> severance payments will receive retirement service credit while receiving VSDP benefits. Retirement contributions continue during STD.• Pre-tax purchase of prior service ends when severance benefits begin.• Eligible employees may apply the severance benefit to obtain an enhanced retirement benefit.
Service Credit for Leave and/or VSDP	<ul style="list-style-type: none">• Time counts towards service for annual, sick, and family and personal leave.• Contact VRS for details
Unemployment Compensation	<ul style="list-style-type: none">• Employees may receive unemployment compensation (UC), but severance payments are reduced by the amount of any UC payments.• Amount deducted from severance payments for UC shall be paid in a lump sum at the end of severance payments.• Contact the Virginia Employment Commission (VEC) for details.
VSDP Short-term Disability and LTD-Working	<ul style="list-style-type: none">• Severance payments offset VSDP benefits.• If an employee is still disabled at the end of severance, VSDP benefits continue.• Employees who move from STD or LTD-Working to LTD continue to receive severance benefits.• Agencies must report severance payments of employees receiving VSDP benefits.• Time counts toward 180-day waiting period for LTD.• Employees in LTD-Working immediately move into LTD.
VSDP Long-term Disability	<ul style="list-style-type: none">• Employees on LTD when separation occurs are not eligible.
Workers' Compensation	<ul style="list-style-type: none">• Eligible employees receive severance and WC payments.• Agency supplement for employees not covered by VSDP stops while employee receives severance benefits.• VSDP benefits for eligible employees are offset by severance payments.

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Frequently Asked Questions VRS General

What type of plan is VRS?

VRS is a defined benefit plan under Section 401(a) of the Internal Revenue Code. This means that VRS will pay each eligible member a fixed benefit upon retirement. The amount of the benefit is based on the member's years of service, age at retirement and the average of 36 consecutive months of highest salary. After retirement the benefit is adjusted for inflation.

Who is covered under the Virginia Retirement System?

VRS is a multiple employer public pension fund, covering employees of more than 700 state agencies, public school boards and local governments. VRS also covers the State Police Officers' Retirement System (SPORS), the Judicial Retirement System (JRS) and the Virginia Law Officers' Retirement System (VaLORS). VRS membership currently totals 403,000 active and retired public employees.

What are the advantages of participating in a defined benefit plan such as VRS?

The employer assumes the investment risk. Because the benefit is based on a formula, it is possible to calculate what the benefit will be in retirement. By law, eligible members are guaranteed a benefit for life, with inflation protection after retirement through Cost of Living Adjustments (COLAs).

Can I take a loan on my VRS retirement fund?

No, the Code of Virginia does not permit anyone to borrow against VRS retirement funds.

What is the Member Benefit Profile?

VRS sends these statements to employers in September for distribution to members. The Member Benefit Profile is an annual statement giving:

- the amount in your retirement account,
- the amount of your life insurance, and
- the estimated amount of benefit you will receive at retirement based on your current salary and years of service.

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Frequently Asked Questions Health Insurance Credit

Who is eligible for the health insurance credit?

State employees, teachers, employees of local school boards and participating local government, constitutional officers, employees of constitutional officers and local social service employees who retire with 15 or more years of service are eligible. Members retiring on VRS disability or receiving a long-term disability benefit through the Virginia Sickness & Disability Program also are eligible.

How do I apply for the health insurance credit benefit?

- Retirees should complete and send the Request for Health Insurance Credit VRS-45 to VRS. The credit will be added to the monthly retirement benefit. Those who do not receive a monthly retirement benefit will receive a check from VRS for the reimbursable amount.
- Those on long-term disability through the Virginia Sickness & Disability Program should obtain the form from UnumProvident and return it to P.O. Box 9500, Portland, Maine 04104-5058. For more information, call 1-800-652-5602. The credit will be added to the long-term disability benefit.
- Employers must certify eligibility for retirees who have service as a constitutional officer, employee of a constitutional officer or local social service employee but are not retiring from one of these positions. To certify eligibility, complete the Certification of Eligibility for Retiree Health Insurance Credit VRS-76.

Will I need to submit a Request for Health Insurance Credit if VRS is taking deductions for my health insurance?

No. The health insurance credit is automatically added to your monthly retirement check.

Will I need to submit a Request for Health Insurance Credit if I am a long-term disability participant and enrolled in the Commonwealth of Virginia Health Benefits Program?

No. You are not required to submit a form unless you are a covered dependent of an active state employee.

How do I determine the date I will be eligible to receive my health insurance credit?

The payment of your health insurance credit is based on the date of your eligibility and the date that you enroll in a qualified health insurance plan and begin paying a premium.

What plans qualify for health insurance credit reimbursement?

- Medicare Part B coverage;
- Employer-sponsored plans, including the Commonwealth of Virginia Health Benefits Program;
- Dental, vision and prescription drug plans; and
- Any plan that provides a broad range of medically necessary services.

What plans do not qualify for the health insurance credit reimbursement?

Coverage for specific diseases or procedures to treat specific illnesses, such as cancer insurance; hospital indemnity policies that pay a daily amount for each day spent in the hospital; and plans covering home health care, long-term care, long-term disability or life insurance coverage are not eligible.

How is the reimbursable amount determined?

The health insurance credit reimbursement amount is a dollar amount for each year of your service, up to a maximum of 30 years. VRS disability retirees whose employers offer the credit and VSDP participants may be reimbursed up to the maximum health insurance credit amount, regardless of years of service. The reimbursable amount is based on your portion of the premium only and cannot exceed either the amount of the health insurance credit or premium paid. Constitutional officers, employees of a constitutional officer and local social service employees must meet their respective 15-year service requirements if they are retiring on disability.

If I apply after the start date of my health insurance coverage, am I entitled to retroactive reimbursement of the health insurance credit?

Yes. You can receive reimbursement retroactive to your eligibility date up to a maximum 12-month retroactive period from the date VRS or UnumProvident, the VSDP third-party administrator, receives your completed Request for Health Insurance Credit.

If I am paying a premium for family health coverage or if I am covered on my spouse's plan, will I be entitled to a health insurance credit?

Yes. Reimbursement is based on your portion of the premium. If you cannot determine your portion, you will receive a reimbursement for either the health insurance credit amount or one half of the total premium amount you listed on your form, whichever is less.

What if my health insurance premium changes or my coverage is cancelled?

It is important to notify VRS, or UnumProvident if you are on long-term disability, immediately in the event your premium changes or your coverage is cancelled. If VRS is not notified, you may receive an overpayment of your health insurance credit. You would be responsible for repaying the amount. You also may be required to pay income taxes on reimbursements that exceed the cost of your health insurance premium. Retirees should notify VRS of any health coverage changes, including changes to the effective date, by submitting a new Request for Health Insurance Credit. VSDP participants should notify UnumProvident directly.

Does the health insurance credit transfer to the eligible member's spouse and/or dependent when they die?

No. The health insurance credit terminates at the death of the eligible member.

Will eligibility for the health insurance credit continue if I cancel my health insurance coverage?

You remain eligible for the health insurance credit if you cancel your health coverage. If you enroll in and begin paying premiums for another qualified health plan, submit a new Request for Health Insurance Credit.

What if I have state or teacher service credit but retire from a local agency that does not offer the health insurance credit?

If you have a minimum of 15 years as either a teacher or a state employee, you will be eligible for the health insurance credit based on that service. Teaching and state service cannot be combined to qualify for the credit under these circumstances.

MAKING THE TRANSITION

Frequently Asked Questions Optional Retirement Plan for Political Appointees

If I continue employment with the Commonwealth what are my options?

- *If you continue employment in another position that is ORPPA eligible and you do not have a break-in-service (defined below) your participation continues in the Plan originally chosen. You are not eligible for a distribution of your account.*
- *If you return to work in another position that is ORPPA eligible and you have a break-in-service you are again eligible to choose between VRS and ORPPA as your main retirement plan. You may only take a distribution of your account if it is done prior to being reemployed. Once reemployed following a break in service you are not eligible for a distribution of your account.*
- *If you return in another position that has only the VRS defined benefit as the retirement plan and you do not have a break-in-service, you may not take a distribution from the ORPPA other than to purchase VRS service credit for the time covered by the ORPPA.*
- *If you return in another position that has only the VRS defined benefit as the retirement plan and you have a break-in-service, you lose your right to purchase VRS service credit for the time covered by the ORPPA. You may take a distribution from the ORPPA if accomplished prior to being reemployed.*

What is a break-in-service?

A break-in-service is defined as a period of at least 30 days during which an individual was not an employee of the Commonwealth of Virginia. Summer breaks, annual leave, sick leave, FMLA leave of less than 12 weeks (or more based on the employer's policy), education leave and sabbaticals do not count toward the 30 days required for a break-in-service.

The Internal Revenue Service (IRS) requires that you have a severance from service with the employer who provides your Plan in order to be eligible for a distribution from the Plan. All agencies and institutions of the State are considered to be a single employer, the Commonwealth of Virginia. Virginia public school divisions and political subdivisions are considered to be separate employers.

The Code of Virginia also requires that certain conditions be met for you to receive a benefit from any retirement plan created by Title 51.1, Chapters 1,2, 2.1 or 3. If you are reemployed in a position eligible to elect the ORP, your benefit payout must stop whether you choose VRS or the ORP as your retirement plan.

When am I eligible to purchase VRS service credit for the time I was covered by the ORPPA?

You are only eligible to purchase VRS service credit with your ORPPA account if you continue employment with the Commonwealth in another position that has only the VRS defined benefit as the retirement plan and you do not have a break-in-service. In this case you may not take a distribution from your ORPPA account other than to purchase VRS service credit for the time covered by the ORPPA. Contact VRS Member Services for more information.

What IRS rules apply to accepting part-time employment with an agency or institution of the Commonwealth?

If you terminate employment under the ORP and later return to part-time or non-salaried employment with an agency or institution of the Commonwealth, you must meet the following criteria to be eligible to receive a payout from the ORP:

- Have a break in service of no less than 30 days [summer breaks, annual leave, sick leave, FMLA leave of less than 12 weeks (or more based on employer's policy), educational leave, and sabbaticals do not count toward the 30 days required for a break-in-service],
- You and your employer had no pre-determined date that you return to employment, and
- The work you do does not have the same duties or hours that you worked prior to leaving your ORP-covered position.

What other restrictions apply to my employment with a public employer in Virginia?

You may not be an active participant in this Plan (meaning that contributions are being paid on your behalf) and at the same time be an active member in another plan created by the Title 51.1, Chapters 1, 2, 2.1 or 3 of the Code of Virginia. If you have dual public employment, making you eligible for more than one retirement plan, you must choose the plan under which you wish to be covered.

When may I receive my retirement distribution?

You may begin to receive a distribution from the Plan at any time after your severance from employment, unless you are reemployed with a public employer in Virginia and become an active participant in one of the retirement plans created by the Code of Virginia Title 51.1, Chapter 1, 2, 2.1 or 3. In some cases returning to work for the Commonwealth on a part-time basis will make you ineligible for a distribution from the Plan.

Please note that the date you choose to begin your distribution from the Plan may also affect your eligibility for the State Retiree Health Benefit Program and for the retiree Health Insurance Credit.

When must I begin receiving my retirement distribution?

Once you have severed employment, you must begin to receive your retirement distribution no later than April 1 following the calendar year in which you attain age 70 ½. However, if you remain employed by an employer that provides the Plan after attaining age 70½, you must wait until the date you retire. This required beginning date is imposed by Internal Revenue Code Section 401(a)(9).

How will my benefits under the ORP be paid to me?

Your account balance determines the amount of benefit you will have in retirement. Your account balance is made up of the contributions paid by your employer adjusted for fees and gains or losses on your account including funds you may have rolled into the Plan.

There is no requirement that you begin receiving benefits until you reach age 70 ½ or when you sever employment, if later. You can choose to leave your account in the Plan and manage your accounts until you are ready to receive a distribution.

Your benefits may be paid to you in the form of an annuity for your lifetime. The amount of monthly annuity payments is based on the value of your account, your life expectancy, prevailing interest rates at the time you start receiving your life annuity and whether or not you select a survivor option.

You may choose to have your benefit paid as a joint and survivor annuity with a percentage of the annuity payable to you during your lifetime continuing to your named survivor after your death for the rest of that person's life. You may choose a survivor percentage of 50%, 66-2/3% or 100%.

In addition, instead of an annuity payment, the Plan permits you to elect to receive your benefit as a single lump sum payment or in periodic payments of an amount per payment or for a frequency of payment selected by you.

Please note that if you select a lump sum payment, including a rollover to another plan, you will not be eligible for the State Retiree Health Benefits Program or for the retiree Health Insurance Credit.

Other options may be also available. You will have the opportunity to discuss distribution options with your registered representative who will help you understand and select the best option for your circumstances.

Will the time and form of payment that I choose have any affect on other benefits available to me in retirement?

Yes, in order to be eligible for Group Life Insurance (GLI) in retirement you must leave your account balance in the Plan. You may start a distribution (including the purchase of an annuity) or you may defer taking your distribution. This is analogous to a VRS retiree who is eligible for GLI whether or not he starts to receive a benefit but who loses eligibility by taking a refund of the Member Contribution Account.

To be covered by the State Retiree Health Benefits Program you must begin an immediate periodic benefit from the ORPPA. If you do not start an immediate periodic benefit you are not eligible to enroll in the State Retiree Health Benefits Program when you do start a payout from the Plan.

In order to be eligible for the retiree Health Insurance Credit, you must be receiving periodic payments from the Plan when the benefit starts if otherwise qualified. You can, therefore, defer your retirement payment and later qualify for retiree Health Insurance Credit.

Are there any other rules governing the payout option that I may choose?

Yes. Once you reach age 70 ½ and have severed employment, the Plan requires you to choose a payout option that will satisfy certain minimum distribution rules which are necessary according to Internal Revenue Code Section 401(a)(9).

Under these rules, you must choose a payout option that will pay out your benefit over your life or life expectancy, or over the joint lives or life expectancies of you and your beneficiary.

Your registered representative can help you determine whether your selected payout option will satisfy these rules. The Plan offers automated minimum distribution, which insures that your distributions are timely and accurate. The Automated Minimum Distribution Request form is on the Plan Web site at www.vadcp.com under Plan Information/ Optional Retirement Plan for Political Appointees.

What tax rules apply to the benefits paid under the Plan?

You are not required to take a distribution from the Plan when you sever employment unless you are at least age 70 ½. You may leave the monies in the Plan and continue to manage your account. If you receive benefit payments under the Plan, they are subject to federal and state income taxes when distributed to you or your beneficiary. Depending upon your age when you begin receiving the benefit you may also be subject to a 10% early withdrawal penalty. The 10% early withdrawal penalty will not apply if you sever employment after age 55 or take your distribution in the form of periodic payments.

You may also roll your account into the Virginia Cash Match or an Individual Retirement Account (IRA) or other tax qualified plan. These plans also have a Minimum Required Distribution at age 70 ½. Review the “Special Tax Notice” located with the distribution forms on the DC Plans Web site at www.vadcp.com.

If I am eligible for a distribution what forms do I need to complete?

First you should complete the Termination Certification Form (VRS 65-E) and return it to your employer. This is not a distribution form but a certification that you understand the effect your election has on other benefits. It will also allow your employer to certify your continued eligibility in the group life insurance.

If you are leaving your benefit in the plan you do not need to complete any additional forms. If you would like to begin a distribution the forms are available on the DC Plans Web site at www.vadcp.com under Plan Information/ORP for Political Appointees/Forms.

Where do I go for more information on my payout options?

For more information you may contact a registered representative at Great West Retirement Services, the service provider for the Plan. The Local Service Center is located at 1108 East Main Street, Suite 1102, Richmond, VA 23219. Office hours are Monday – Friday, 8:00 a.m. to 5:00 p.m. Eastern Time. You may also contact a registered representative toll-free at 1-866-226-6682, option 2. Additional information is also available on the Web site at www.vadcp.com.

MAKING THE TRANSITION

Frequently Asked Questions Purchase of Prior Service

What are the advantages of purchasing prior service credit?

The more service you have in VRS, the larger your retirement benefit will be. Many active members are eligible to “buy back” prior service periods (for example, military service, public or civil service, unpaid maternity leave, etc.) to add to their current VRS records. In most cases, buying additional service adds enough money to your monthly benefit to make the cost of the purchase worthwhile. Please visit our Purchase of Prior Service section on the VRS Web site at www.varetire.org for all the details and latest information on buying service.

How much will it cost me to purchase prior service credit?

Generally, service is available for purchase at 5% of current salary or AFC as long as you enter a contract to buy it within 3 years of joining VRS (or by July 1, 2004 if you were a member of VRS prior to July 1, 2001). After these deadlines, the cost goes up to actuarial cost. See the Purchase of Prior Service section on the VRS Web site at www.varetire.org for much more detailed information.

How do I purchase service credit?

You will need to complete the Application for Purchase of Prior Service Credit VRS-26 . All service must be purchased while you are still working. Again, for all the details, visit our Purchase of Prior Service section on the VRS Web site at www.varetire.org.

MAKING THE TRANSITION

Frequently Asked Questions 457 Deferred Compensation Plan

What are the 457 deferral limits?

For 2005, you may contribute 100% of your salary or \$14,000 whichever is less. The annual limit and catch up amounts are not prorated if you work less than 12 months. If you are age 50 or older in 2005, you may contribute an additional \$4,000 for the calendar year. If you are within 3 years of your designated normal retirement age and have completed the necessary paperwork, you may contribute an additional \$14,000 under the Standard Catch-up rules.

What amounts are eligible for deferral into the 457 Deferred Compensation Plan?

Salary deferrals as well as unused annual and sick leave payouts (up to the annual limits) may be contributed to the 457 Plan. Eligible catch-up contributions may also be made. You may not, however, contribute WTA severance payments to the 457 Plan.

What forms do I complete to make these contributions?

To increase or decrease your salary deferrals, contribute annual and sick leave payouts or make age 50 + catch-up contributions, use the Payroll Authorization Form and return it to your payroll office.

To use the Standard Catch-Up complete the Standard Catch-Up Credit Worksheet and the Normal Retirement Age Election Form. These completed forms must be on file with your employer.

Forms are available on the Web site at www.vadcp.com under Plan Information/457 Plan/Forms or from the Local Service Center at 804-643-1882.

When will my benefit payments begin?

Generally, you determine when your benefits will begin and the method of payment. Your account is available to you when you retire or terminate employment with an employer that offers the Plan. If you are receiving WTA severance payments you are considered having severed employment and are eligible to begin a distribution.

You are required to begin taking required minimum distributions by April 1 of the calendar year following the later of: (1) the calendar year in which you reach 70 1/2 or (2) the calendar year in which you retire from the employer sponsoring your Plan. A registered representative can help you evaluate the benefits of various payment choices so you can select the one which best meets your individual needs. Contact your registered representative by calling 804-643-1882 or toll free 866-266-6682 (Option 2).

When do I pay income taxes?

Upon withdrawal, each payment you receive from your account is subject to ordinary federal and state income tax. All income tax withholding, whether state or federal, will be in compliance with IRS regulations. Seek the advice of a tax or estate-planning attorney to obtain more information on this matter.

What are my benefit payment options?

You may elect to have your benefits paid as a lump sum distribution, a periodic payment over a fixed period or a designated amount, by purchasing an annuity, or a partial withdrawal with the remainder paid out as a periodic payment or an annuity option. Payment options are subject to certain minimum distribution rules. **You may also leave the money in your account and manage your investments until you are required to take a distribution at age 70 ½.** You may not, however, make additional contributions.

May I transfer or roll over my account if I leave employment with my current employer?

If you leave employment with your employer, you may roll over your account balance to an eligible retirement plan such as a 401(a)(k), 403(b), 457(b) or traditional IRA. However, withdrawals from these plans prior to age 59 ½ may result in an IRS penalty. This IRS penalty for early withdrawals does not apply to monies left in a 457 plan. Note: Check with the plan that you are rolling into to ensure the plan accepts the rolled over monies and to determine what fees may apply, if any.

What happens if I die?

Your remaining account balance will be payable to your beneficiary according to Internal Revenue Code, Treasury Regulations and Plan Guidelines when he or she delivers a proper claim. Unless otherwise directed, the beneficiary designation for the Plan will be: your surviving spouse, or if none, your children, and descendants of your deceased children, or if none, your parents or if none the duly appointed executor or administrator of your estate, or if none, the next of kin entitled to inherit under the laws of your domicile.

You may view your current beneficiary designation under My Account/View Account/Beneficiary. If you wish to update your beneficiary designation you may do so on-line under My Account/Change Account/Beneficiary or use the 457/401(a) Combo Beneficiary form located on the Plan Web site at www.vadcp.com under Plan Information/457 Deferred Compensation Plan/Forms.

Where do I go for more information on my payout options?

For more information you may contact a registered representative at Great West Retirement Services, the service provider for the Plan. The Local Service Center is located at 1108 East Main Street, Suite 1102, Richmond, VA 23219. Office hours are Monday – Friday, 8:00 a.m. to 5:00 p.m. Eastern Time. You may also contact a registered representative toll-free at 1-866-226-6682, option 2. Additional information is also available on the Web site at www.vadcp.com.

MAKING THE TRANSITION

Frequently Asked Questions Virginia Cash Match Plan

What are the Cash Match limits for the year I terminate?

The limits on the Cash Match are the same as while you are employed; 50% of your deferral up to \$20 per pay period. Since the match is calculated per pay period, you will only receive a match for a pay period in which a DCP deferral was made.

What amounts are eligible for rollover into the Cash Match Plan?

Since the Cash Match Plan is a 401(a) plan, you may roll other 401(a), 401(k), 457, 403(b) and IRA amounts into this Plan to consolidate your accounts. In addition, PLOP payments received from the VRS defined benefit plan may be rolled into the Cash Match Plan.

When will my benefit payments begin?

Generally, you determine when your benefits will begin and the method of payment. Your account is available to you when you retire or terminate employment with an employer that offers the Plan. If you are receiving WTA severance payments you are considered having severed employment and are eligible to begin a distribution.

You must begin taking required minimum distributions by April 1 of the calendar year following the later of: (1) the calendar year in which you reach 70 1/2 or (2) the calendar year in which you retire from the employer sponsoring your Plan. There may be a 10% federal tax penalty on withdrawals taken before age 59 1/2.

When do I pay income taxes?

Money withdrawn from the Cash Match Plan is taxable upon distribution. Upon withdrawal, each payment you receive from your account is subject to ordinary federal and state income tax as you receive it. All income tax withholding, whether state or federal, will be in compliance with IRS regulations. Seek the advice of a tax or estate-planning attorney for more information on this matter.

All withdrawals are subject to ordinary income tax. A 10% federal tax penalty may also apply to withdrawals made prior to age 59 1/2.

What are my benefit payment options?

You may elect to have your benefits paid as a lump sum distribution, a periodic payment over a fixed period or a designated amount, by purchasing an annuity, or a partial withdrawal with the remainder paid out as a systematic withdrawal or an annuity option. Payment options are subject to certain minimum distribution rules. **You may also leave the money in your account and manage your investments until you are required to take a distribution at age 70 1/2.**

May I transfer or roll over my account if I leave employment with my employer?

If you leave employment with your employer, you may roll over your account balance into an eligible retirement plan such as a 401(a)/(k), 403(b), 457(b) or IRA. Note: Check with the plan that you are rolling into to ensure the plan accepts the rolled over monies and to determine what fees may apply, if any.

What happens if I die?

Your remaining account balance will be payable to your beneficiary according to Internal Revenue Code, Treasury regulations and Plan Guidelines when he or she delivers a proper claim. Unless otherwise directed, the beneficiary designation for the Plan will be: your surviving spouse, or if none, your children, and descendants of your deceased children, or if none, your parents or if none the duly appointed executor or administrator of your estate, or if none, the next of kin entitled to inherit under the laws of your domicile.

You may view your current beneficiary designation under My Account/View Account/Beneficiary. If you wish to update your beneficiary designation you may do so on-line under My Account/Change Account/Beneficiary or use the 457/401(a) Combo Beneficiary form located on the Plan Web site at www.vadcp.com under Plan Information/401(a) Cash Match/Forms.

Where do I go for more information on my payout options?

For more information you may contact a registered representative at Great West Retirement Services, the service provider for the Plan. The Local Service Center is located at 1108 East Main Street, Suite 1102, Richmond, VA 23219. Office hours are Monday – Friday, 8:00 a.m. to 5:00 p.m. Eastern Time. You may also contact a registered representative toll-free at 1-866-226-6682, option 2. Additional information is also available on the Web site at www.vadcp.com.

**MAKING THE TRANSITION****Eligibility Criteria For
Unemployment Benefits****Monetary Qualification**

- An individual must have earned at least \$2700 in two quarters of the base period to qualify for unemployment benefits. The base period consists of the first 4 of the last 5 completed calendar quarters prior to the date of claim filing.
- For claims filed weekly benefit amounts range from \$54 to \$330.
- Wages are not covered for unemployment insurance purposes if the individual is working as an appointee in a major non-tenured policymaking or advisory position (Section 60.2-213B.6.e of the Code of Virginia).

Separation Qualification

- An individual must be unemployed through no fault of his/her own. If the reason for separation is other than lack of work, an adjudicator will determine benefit eligibility.
- An individual who voluntarily leaves employment must show good cause for doing so in order to be eligible for benefits.
- An individual who is discharged from a job can be eligible for unemployment benefits if the discharge was for reasons other than misconduct.

Ongoing Eligibility Criteria

- An individual must be able and available to work. He/she must also be actively seeking work.
- The individual must accept any offer of suitable work or show good cause for failing to do so.
- An individual will be ineligible for benefits in any week he/she earns wages equal to or in excess of the weekly benefit amount. The individual may receive partial benefits for weeks in which he/she earns less than the weekly benefit amount.

Severance/Accrued Leave Pay

- Severance pay (not WTA) including accrued leave pay is not deductible from an individual's weekly benefit amount.

WTA

- Payments made under the Workforce Transition Act (WTA) are not deductible from an individual's weekly benefit amount. However, the law requires the separating state agency to reduce each week of WTA by the amount of unemployment benefit payment. The withheld WTA amount is payable to the individual with the last WTA payment. For example, if you are entitled to receive \$500 per week for 19 weeks from WTA and \$200 per week in unemployment benefits, your WTA weekly amount will be reduced to \$300 (\$500 minus \$200). At the end of 19 weeks, you will be paid the total sum of these deductions or \$3800 (\$200 x 19).

Retirement Pensions

- If an individual receives a retirement pension from a base period employer, the weekly pension amount is deductible dollar-for-dollar from the unemployment benefit weekly amount. The individual is ineligible for unemployment benefits for any week in which the pension amount is equal to or exceeds the weekly unemployment benefit amount. Social Security pensions are also deductible, but only 50% of the weekly pension amount is considered.

How To File A Claim For Benefits

- A claim may be filed by telephone at (866)832-2363, by internet at www.vec.virginia.gov, or by reporting to the Virginia Employment Commission (VEC) office nearest you.

Job Assistance

- To be eligible for unemployment benefits, an individual must register with the VEC for employment assistance. The VEC can provide job seekers with exposure to a variety of local and statewide job opportunities in the private sector as well as state and federal government positions. A substantial cross-section of employers uses the VEC for all job recruiting. For information on job openings, please visit the VEC website at www.vec.virginia.gov. You will find listings of jobs currently filed with the VEC, as well as links to many other employment-related sites.



MAKING THE TRANSITION

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Marjorie McGregor

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COVA Care Health Plan Administrators

Anthem Blue Cross and Blue Shield - Medical, Vision and Hearing Benefits

Member Services: (804) 355-8506 in Richmond or 1-800-552-2682 outside Richmond

www.anthem.com

Delta Dental Plan of Virginia - Dental Benefits

Member Services: 1-888-335-8296

www.deltadentalva.com

Medco Health Solutions. Inc. - Prescription Drug Program

Member Service: 1-800-355-8279

www.medco.com

Value Options, Inc. Behavioral Health and Employee Assistance Program

Member Services: 1-866-725-0602

www.achievesolutions.net/covacare

Flexible Benefits Program Administrator

Fringe Benefits Management Company

Member Services: 1-800-342-8017

Interactive Benefits Information Line: 1-800-865-FBMC (3262)

www.fbmc-benefits.com

Long-Term Care Insurance Administrator

Aetna Life Insurance Company

Member Services: 1-877-894-2470

www.aetna.com/group/commonwealthva

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